



New Jersey Bureau of Securities Orders Cryptocurrency Company 'Voyager Digital' to Stop Offering and Selling Interest-Bearing Accounts

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Office of The Attorney General

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[View Summary Cease and Desist Order](#)

NEWARK – Acting Attorney General Matthew J. Platkin today announced that the New Jersey Bureau of Securities has issued a Summary Cease and Desist Order to stop a Jersey City-based financial services company from selling unregistered securities in the form of interest-earning cryptocurrency accounts that have raised at least \$5 billion nationwide.

Voyager Digital Ltd., Voyager Digital, LLC, and Voyager Digital Holdings, Inc. (Voyager) have allegedly been funding Voyager's income generating activities—including lending operations, digital asset staking, and proprietary trading—at least in part through the sale of unregistered securities in the form of cryptocurrency interest-earning accounts in violation of the Securities Law, according to the Order the Bureau issued today.

"Today's action says loud and clear that the cryptocurrency securities market is not the Wild West, and investor-protection laws absolutely apply," said Acting Attorney General Platkin. "Through efforts like this one, we continue to hold accountable all those who threaten the integrity of our financial industry and place investors at risk."

The Bureau's action against Voyager marks the third time it has acted to stop a New Jersey-based cryptocurrency firm from offering and selling unregistered securities in the form of interest-bearing accounts.

In July 2021, the Bureau [announced](#) a Summary Cease and Desist Order against BlockFi Lending, LLC (BlockFi), which raised at least \$14.7 billion from the unlawful sale of unregistered securities worldwide. In February 2022, the Bureau entered a [settlement](#) with BlockFi that required the company to, among other things, stop the offer and sale of its interest-bearing cryptocurrency accounts until they were registered with state and federal securities regulators. The settlement also required BlockFi to pay regulators a total of \$100 million, including \$943,396.22 to New Jersey.

In September 2021, the Bureau [announced](#) a Summary Cease and Desist Order against Celsius Network LLC, whose unlawful sale of unregistered securities had raised at least \$14 billion nationwide.

"The rules are clear: anyone selling securities in New Jersey must comply with the State's securities laws," said Sean P. Neafsey, Acting Director of the Division of Consumer Affairs. "Our Bureau of Securities will continue to protect investors by monitoring the marketplace to ensure everyone is following the rules, especially when it comes to the ever-evolving cryptocurrency market."

Unregistered securities offerings pose significant risk to investors because the issuers do not make the same types of disclosures, including, for example, providing detailed financial statements that typically accompany registered offerings.

Investors in unregistered offerings, like the "Voyager Earn Program Accounts" addressed by the Bureau's Order today, may not receive any information about the specific investment strategies used by the issuer to generate investment returns, may not be advised about the creditworthiness of counterparties with whom the issuer does business, and may not be apprised of the use of leverage, or other risky investment strategies employed by the issuer to generate a return. In contrast, registered offerings typically provide detailed information for investors to make reasonably informed decisions about the level of risk a particular investment entails.

According to the Bureau's findings, Voyager solicits investors to invest in the Voyager Earn Program Accounts by depositing certain eligible cryptocurrencies into the investors' Voyager account. Voyager then pools these cryptocurrencies together to fund its various income generating activities, including lending operations, digital asset staking, proprietary trading, and investments in other cryptocurrency trading platforms, such as Celsius Network. In exchange for investing in the Voyager Earn Program Accounts, investors are promised an attractive interest rate that is paid monthly in the same type of cryptocurrency as originally invested.

As of March 1, 2022, Voyager had approximately 1,530,000 Voyager Earn Program Accounts representing approximately \$5 billion in assets, of which approximately 52,800 were New Jersey-based accounts representing approximately \$197 million in assets.

The Voyager Earn Program Accounts are not registered with the Bureau or any other securities regulatory authority, nor are they otherwise exempt from registration. Digital assets contained in Voyager Earn Program Accounts are not protected by the Securities Investor Protection Corporation ("SIPC"), insured by the Federal Deposit Insurance Corporation ("FDIC"), or insured by the National Credit Union Administration ("NCUA").

"Platforms like Voyager that offer interest-bearing financial products may mirror the traditional financial structures we know and trust, but their lack of a protective scheme or regulatory oversight subjects investors to additional risks not borne by those who maintain assets with most SIPC member broker-dealers, or with banks, savings associations, or credit unions," said Acting Bureau Chief Amy G. Kopleton. "This adds a layer of risk to these cryptocurrency products and makes it all the more important for individuals to do their homework and fully understand the offerings before investing in them."

The Bureau's investigation was handled by Investigator Delfin Rodriguez of the Bureau of Securities, within the Division of Consumer Affairs. The Bureau is represented by Assistant Attorney General Brian F. McDonough and Deputy Attorneys General Victoria A. Manning and Evan A. Showell, Section Chief and Assistant Section Chief, respectively, of the Securities Fraud Prosecution Section of the Division of Law within the Division of Law's Affirmative Civil Enforcement Practice Group.

The Bureau is charged with protecting investors from investment fraud and regulating the securities industry in New Jersey. It is critical that investors "Check Before You Invest." Investors can obtain information, including the registration status and disciplinary history, of any financial professional doing business to or from New Jersey, by contacting the Bureau toll-free within New Jersey at 1-866-I-Invest (1-866-446-8378) or from outside New Jersey at (973) 504-3600, or by visiting the Bureau's website at [www.NJSecurities.gov](#). Investors can also contact the Bureau for assistance or to raise issues or complaints about New Jersey-based financial professionals or investments.

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